

BLANCHARD, WALKER, O'QUIN & ROBERTS

(A PROFESSIONAL LAW CORPORATION)

JOHN T. COX, JR.
W. MICHAEL ADAMS
WM. TIMOTHY ALLEN III
REGINALD E. CASSIBRY, P.C.
J. DAVID GARRETT
CECIL W. TALLEY
M. THOMAS ARCENEAUX
ROBERT W. JOHNSON
PAUL M. ADKINS
LESLIE IDOM KALMBACH
GARY H. LOVE
F. MICHAEL CARMODY
KIMBERLY D. BELANGER
CLINTON S. SIMON

1400 BANK ONE TOWER, 400 TEXAS STREET
SHREVEPORT, LOUISIANA 71101
TELEPHONE (318) 221-6858 TELECOPIER (318) 227-2967
bwor@bwor.com

MAILING ADDRESS:
POST OFFICE DRAWER 1126
SHREVEPORT, LOUISIANA 71163-1126

NEWTON C. BLANCHARD (1922)
ELIAS GOLDSTEIN (1962)
HENRY C. WALKER (1963)
ARTHUR O'QUIN (1972)
WILTON H. WILLIAMS, JR. (1975)
LEON O'QUIN (1979)
JOSEPH W. MILNER (1980)
ROBERT ROBERTS, JR. (1991)
CLYDE W. THURMON (1992)
PIKE HALL, JR. (1999)
MARLIN RISINGER, JR. (2002)

OF COUNSEL
GILBERT L. HETHERICK
ROBERT ROBERTS III
NEILSON S. JACOBS

November 13, 2003

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Gray Sand, Reservoir B
Cotton Valley Field
Webster Parish, Louisiana
Our File No. 230765.0012

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana:

1. To create eight (8) additional drilling and production units (to be designated as GRAY RB SUM thru GRAY RB SUT) for the Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said units, with allocation of production from the unit well to the tracts within each such unit therefor to be on the basis of surface acreage.
3. To designate a unit operator and a unit well for certain of the units to be created hereby.
4. Except to the extent inconsistent herewith, to extend the provisions of Office of

Conservation Order No. 10-EE-1, effective August 9, 1978, to the proposed units.

5. To redefine the Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana, INSOFAR AND ONLY INSOFAR as to GRAY RB SUB, as being that gas and condensate bearing interval encountered between the depths of 11,070 feet and 12,125 feet (electrical log measurements) in the Chesapeake Operating, Inc. - Krouse No. 1 - Alt. Well, located in Section 17, Township 21 North, Range 9 West, Webster Parish, Louisiana.
6. Except for the redefinition noted above, to ratify, confirm and continue in full force and effect GRAY RB SUB, as shown on the plat attached hereto, which was created by Office of Conservation Order No. 10-EE-1, effective August 9, 1978, as a drilling and production unit for the exploration for and production of gas and condensate from the Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana.
7. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana, was fully defined in Office of Conservation Order No. 10-EE-1, effective August 9, 1978, but shall be redefined INSOFAR as to Gray RB SUB as set forth above.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A Pre-Application Conference was held at the offices of Blanchard, Walker, O'Quin & Roberts, 15th Floor Conference Room, Bank One Tower, 400 Texas Street, Shreveport, Louisiana, on November 10, 2003, at 10:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological basis for its proposal, a general discussion ensued prior to adjournment. No counter plan was filed and no opposition was expressed.

Commissioner of Conservation

November 13, 2003

Page 3

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

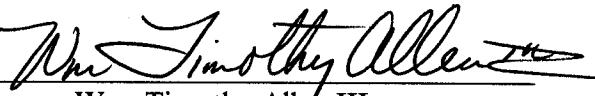
This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII/bp
Enclosures

By:



Wm. Timothy Allen III

Attorneys for Chesapeake Operating, Inc.

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)
Attendees at Pre-Application Conference

DOCKET NO.	EXHIBIT NO.
CHESAPEAKE OPERATING, INC. UNIT PLAT PROPOSED GRAY RB SAND UNITS	COTTON VALLEY FIELD WEBSTER PARISH, LA. Prop. 3000, Inc.

